



NASA Advisory Committee Meeting

**REPORT OF AUDIT &
FINANCE COMMITTEE**

**Robert Hanisee, Chairman
Hon. Ted McPherson
Hon. Michael Montelongo
Howard Stanislawski**

October 12, 2006



Restatement of NASA Accounting and Control Problems

Stovepipe Organization

- 10 Centers; 10 different financial control systems; 120 different subsystems

Property, Plant and Equipment

- - NASA Owned
- - Contractor Site

“What do we Own and Where is it?”

Integrated Enterprise Management Plan

- IEMP adopted in 2003 after two (2) failed attempts
- SAP enterprise accounting System

Failed Year end audit

- Check Book out of Balance



Restatement of NASA Accounting and Control Problems

GAO Report – October 2005

- 45 recommendations

SAP Version Upgrade (SVU)

Oct. 10 teleconference with IEMP Program Manager – Scheduled cut-over to new version Nov. 13, 2006

ISSUES:

Training

Data Migration



Restatement of NASA Accounting and Control Problems

RISKS:

- Still some defects
- Data Migration
- Reimbursables

RECOVERY PLAN:

- Delay Cut-Over
- Revert to Old Version

STATUS:

- Shut Down Old Version
- No Show Stoppers
- 3 Mock Closings

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Year End Audit

- Oct. 11 Debrief with Terry Bowie
- E&Y Field Work Completed
- Audit Completion Date - Nov. 15
- Fund Balance With Treasury
- Audit Opinion
 - Much Progress
 - Problems Remain



Lingering Issues

- Asset Accounting
- One NASA
- Staffing Problems



Meeting with GAO (Oct. 11, 2006)

- **Focus should be Clean and Full Accountability – Clean Opinion not the end Goal**
- **Still Concerned about:**
 - High Level of Unobligated Balances
 - IEMP/SAP Upgrade
 - Financial Management Environment
 - ONE NASA – Center Stove-piping
 - PPE – Contractor Reports
- CEV/CLV Fresh



Meeting with GSFC Financial Staff (Oct. 11, 2006)

Julie Baker, Deputy CFO for Resources

Jon Wolz – Deputy CFO for Finance, Director of
Regional Finance Office (RFO)

Theresa Ballinger – Deputy RFO

- Goddard provides financial services for 3
NASA installations
 - Goddard
 - Headquarters
 - JPL-NASA Management Office



Meeting with GSFC Financial Staff (Oct. 11, 2006)

Largest Volume of Transactions

Staff – 104 Civil servants
74 Contractors

Grant Processing and Accounting

NSSC – NASA Shared Services Center, Stennis, MS

SVU Cut-Over Issues:

- Training

- Grant Accounting

- Data Migration

- Unobligated Balances



Prior Committee Recommendations

Center CFO Chain of Command

OCFO Staff Responsibility

Environmental Liabilities

JSC Error Tracking Tool

Customer Satisfaction Tool



Audit & Finance Future Actions

Audit Completion - Meet with IG and E&Y

NASA Shared Services Center – Fact Finding Meeting

Grant Accounting – Fact Finding Meeting

Unobligated Balances – Fact Finding Meeting

GAO Chief Management Officer

Continue Review and Analysis of NASA Financial & Control Systems

Review Financial and Risk Management plans for the following Projects:

CEV/Orion

CLV

COTS

ISS